G.R.S. IX-5]

Previous references.

1922.
(2 to e)

File No. 115 of 2

Serial Nos. 1 - 8

Later references.
2 to e (21 - 22 - (14-16, 18-21 to 27)
2 to e. 218 - 22 - (9-12, 15-20, 22)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 8.

Part B for November 1922.

SUBJECT

Report on the Inspection of the [redacted]
Accounts of the Central Industries [redacted]

Printed on the Multigraph.

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No.

FILE HEADING.

From

No.	Dated	Received
...iary No.	Enclos. Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

The Comptroller makes a report of his inspection of the Store accounts of the Central Industrial Workshop.

NOTES AND ORDERS.

1) On an anonymous petition receiv... of the Servants is enquired & the Asst. member was sent & the Pl. Secretary and under instruc... of the Pl. Secretary, the Comptroller has made the inspection now...

NOTES—First Sheet.

G. R. S. III-2

General and Revenue Secretariat. | File No. of 191 .

Serial No.

A detailed audit report by the Commercial auditor is promised. Meanwhile the points requiring explanation among those mentioned in the anonymous petition have been stated by the Comptroller. Perhaps explanation on these points may be called for.

2) Promotion & the Storekeeper in the reorganisation proposals is one of the points criticised in the anonymous petition. It is not clear whether these reorganisation proposals are those with the S.R.O. Rice. Perhaps the general reorganisation proposals may remain unaffected, and any particular individual if he does not deserve the pay of the reorganisation can be dealt with as he deserves.

Member

26.9.22

NOTE—Contn. sheet.

(5)

G. R. S. III-2]

General and Revenue Secretariat.	File No.	of 19 .

Serial No.

3) On receipt of the anonymous communication I handed it over to the Pl. Secy. who happened to be with me at the time and asked him to instruct the Comptroller, Sea his Asst dealing with Commercial audit at once to get him to the C. I. D. investigate & report result of same as early as possible The Comptroller has since sent in his report, stating that the regular Audit Report would also be submitted in due course.

From a perusal of the report it seems pretty clear that the Stores accounts are not maintained satisfactorily, that the Supdt of the C. I. D appears to exercise little real control over the business The irregularities noticed in the books of a serious nature and should not have been allowed. If the Supdt. had done justice to his responsibility it would not have been possible for the Storekeeper to indulge in them. From his own statement it has been necessary, contributed to the situation, as much as the Storekeeper himself. Where control is not above suspicion the action of the Director may be of

NOTE—Contd. on

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 19 .

Serial No.

The above are the Explanation of the Supdt. called for through him. I am afraid there is a great deal more of talking & writing than actual Supervision & other work done. The stores clerk may be placed under suspension. Please

27-9-22

4) The Secretary

Papers which may be taken necessary & did with the Executive Council. Time exists final action may be taken.

Sd/-

27/9

5) A. S. Please put up draft by 29.9.22

6) Two draft letters to the Dy. Supdt. of Municipalities are put up.

7) It would appear necessary & advisable that the accompanying papers be forwarded to the District to enable him to obtain the Explanation of the Supdt. on the specific allegations & the Auditor's remarks thereon.

Sd/- 30-9-22

8) Done 30.9.22

NOTE—Contn. -b-

WP 1233—GPB—60,000—1-12-16—S.

(5)

G. R. S. III-2

General and Revenue Secretariat. | File No. | of 191 .

Serial No.

Letter No. C. 10 dt 2/3rd October 1922 from the Dr. of Industries & Commerce, stating that a detailed report will be submitted in the course of a fortnight & offering his remarks on the Comptroller's Speech.

9) The Director wishes the Superintendent of the Store Keeper & be held in abeyance.

3036-55. 3.10.22

Asst Secretary

10) Vide my marginal remarks on the Director's letter above. Orders were issued with the Dewan's approval. File may be submitted to the Dewan

Seq.
Rep. of the Director have been submitted for approval.
Recd

Recd 4.10.22

11) Resubmitted to Asst Secretary as per personal instructions in connection with the latter's detailed report of the Director.

A

Asst Secretary

10.10.22

12) A. Put up herewith. The White file may kindly be sent to the Dist. Secy. for his remarks if any.

Recd 6.10.22

NOTE—Contn. sheet.

WD 1233—GPB- -60,000—1-12-16—S.

(61)

G. R. S. III-2)

General and Revenue Secretariat. | File No. of 191 .

Serial No.

13) To the Financial Secy
for his comments
5 6/10/22

14) (a) Alleged shortage of 5 tons in the quanti
ty of coke.- The Comptroller's report and t h
Workshop Superintendent's explanation show that
the alleged shortage is not real and that the cor
rections are the result of wrong account entries.
The same quantity is reported to have been twice
taken as receipts and the ~~account~~ excess removed
by a correction when it was discovered. T h e
quantity of coke stated to have been delivered to
the Railway Department in repayment of the loan
obtained from it should have been charged off as
an item of issue and there is no reference to thi
point in the Superintendent's explanation.

15) The Superintendent states that the stock of
coke was not actually weighed in December 1921 as
it had been weighed in November 1921 and that the
estimated quantity was entered in the column in
which the quantity ~~w~~ actually found on weighment
should be shown. This procedure is wrong and mis
leading. When any item of stock is not actually
verified by ~~a~~counting or weighment in the course
of general stock taking, no entry of actual quan-
tity should be made in the column for showing

actual

NOTE—Contn. sheet.

Serial No.

actual results. ~~Such a~~ This column should be left blank ~~with~~ against such items. It is not necessary that every item of stock should be accounted ~~if~~ or weighed after the clos of each half year. What is wanted is that every item of stock must be verified by actual count or weighment at least once in every half year and at any time ~~that~~ such is convenient for the purpose during that interval. The comparison of actual and book balances and the necessary action for reconciling the differences disclosed should be made and taken, whenever the verification is made. At the time of general stock taking if it is not found possible to verify once again any particular item on account of its maghitude or for any other reason, such fact an the date on which it was last verified during t h half year should be noted in the ledger as also in the statement, if any, prepared for comparing book and actual balances.

26) If the balance of the stock of coke in the form of "dust" is unserviceable, action may be take for disposing of it and writing its value off the stock account.

27) (b) ~~Stock~~ Iron scraps.- Alleged shortage of 10 tons under cast iron scraps.- Here again, the shortage is reported both by the Comptroller and th Superintendent to be due to incorrect accounting. T account entries should be made simultaneously with transactions

(8

G. R. S. III-2]

General and Revenue Secretariat. | File No. of 19 .

Serial No.

transactions is a rule which cannot be too often c too strongly impressed upon all those who are conc ed with stores. In the instance mentioned by the Comptroller, the issue of 10 tons of scrap iron re mained unaccounted for for about ~~xxxx~~ two months.

(19) The Superintendent states that in the case o this ~~as~~ article also, the estimated quantity was ta as the actual quantity. This procedure was wrong a the remarks made above in regard to coke apply full to this case also.

(20) The Superintendent makes the statement that "the store-keeper is only a custodian of scrap acco while the actual quantity of scrap will be ~~attac~~ lying ne the foundry-yard". Wherever the material may be kept, it is the store-keeper who is its custodian and it is not right to regard him as the custodian only of its account.

(20) (c) No remarks

(21) (d) Purchase of scrap iron at Rs.94 per ton.- If, as stated by the Superintendent, the quality of material was worth the rate paid for it, the transaction has to be considered as bona fide. The tender system was not followed in purchasing this material and the departure from it is not stated to have been made on the ground of urgency.

(22) (e) Corrections in supply memos and indents.- The Comptroller has promised a report on this point.

9-10-22

NOTE—Contn. sheet.

(9

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 19

Serial No.

3111-130.
9.10.22.

23) Just
Member

9/10/22

24) Seen. The Directors further
report may be awaited. From
information available up to moment
it is clear that the accounts are
not kept as they ought to be & that
the transactions are neither correctly
nor booked in a correct & business-like
manner.

25) While I appreciate the Directors defence
of the Supdt. I think it is necessary that
mistakes should be pointed & necessary
corrective action taken. When circumstances
necessitate them. I do not see any
reason why such the damp enthusiasm
if taken in the proper spirit, upset
the Supdt. is a young officer who
& has yet to acquire experience.

Well
11-10-22

26) For perusal with reference
to the Diwan's minute of
29.9.22 on p. 4 of the note
Diwan

12-10-22

27) Further report awaited
The matter noted & that
these faults are not
finally reported upon
SC as to Undesirable Period 13.10

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat. | S & C File No. 115 of 1922.

Serial No.	
	28) Perhaps now the Director may be informed that his further report is awaited Asst Secretary 14/10/22
3237-256 16.10.22	29) Asks when it may be expected Asst Secretary 16.10.22
~~3237-256~~ ~~16.10.22~~	30) The usual report ~~to~~ received today has been separately submitted in sealed cover Asst Secretary 16.10.22
3253-272 17.10.22	31) Yes. I have minuted also on it today Asst Secretary 18-10-22.
	32) The entire file is finished 18/10/22

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | File No. of 19 .

Serial No.

33) The main file has been ~~ordered~~ submitted to the First Member. This report from the Director is submitted in continuation

First Member

16-10-22

34) The main file has been returned with my further minute of 16.10.22. This may be now be sent once again, with the attached further report of the Director, to the Financial Secretary, for his further remarks, if any

Rae
17.10.22.

35)

3242-261
17.10.22.

Forwarded to the A.C.S. with Compliments. The main file which has been resubmitted to the First Member with Known receipt

17/10/22

36) I have read the Director's report (his letter of 14/16-10-22) and find that my previous Note on this subject does not require any addition or alteration

Rae
17.10.22

NOTE—Contn. sheet.

(.12

General and Revenue Secretariat. | File No. | of 19

Serial No.

37)
The main file which was
recommitted & the Finl
Member has not yet be
returned. Perhaps the
reinstatement recom-
mended by the Director G.
ons & take effect from
date of the order & be plac
in which case a few days
suspension would have
been suffered

Finl
Member)

18/10/22

38)
after giving the matter my careful
consideration I am of opinion that the
accounts are not maintained as they
ought to be. I say so in spite of the ex-
planations offered & on record now. I ha
not the least objection to the order of suspen
being cancelled & the Storekeeper reverted to his
but I cannot agree to his being put back
in his old place. I think he shd be given a
transfer. So far as the suspn is concerne
it will do if he is warned the more caref
& Excise Dealer Scorching in future.

NOTE—Contn. sheet.

Main file
called for
by 18.10.22

39)
The Secretary.

Recd
18.10.22

1807

(13

General and Revenue Secretariat. | D & C File No. 115 of 1922

Serial No.	
- 40)	The main file with the Hon'ble Ministers minutes of 29.9.22 & 13.10.22 to the P.S. below Dewan 40) 18.10.22
41)	Agree with the Member's order may issue under sign —
42)	The allotment of the D & C under the demi-official head should be debited
43)	A.S. for draft 20/10/22
- 44)	Returned, with a draft for orders. Sd/- 24.10.22. Secy (Fin) 26.10.22
45)	Draft approved
3554-573. 30.10.22.	Sd/- Member 46) 27.10.22
	Draft approved Secy 47) 31.10.22.

NOTE—Contn. sheet.

(14

G. R. S. III-21

General and Revenue Secretariat. | JC File No. 115 of 1922

Serial No. 4

Letter: JC 2836 Q 6.11.22

to

The Offg Director JTC states that having regard to his opinion that the corrections made in the books of the Concern were bona-fide orders suspending the store-keeper Sri Ekambara Mudaliar may be revoked and in view of the manner in which accounts have been maintained by him Government consider that he should not be continued as store-keeper but transferred at once to some other place and his work watched

B

GEN. & REV. SECRETARIAT
3-NOV-1922

The pp in the binder of file are a part of this file = To be arranged & connected by

NOTE—Contn. sheet.

CONFIDENTIAL.

SECRETARIAT 1 OCT 1922

To
A. R. Banerji, Esq., M.A., C.I.E., C.B.E., I.C.S.,
Dewan of Mysore,
Bangalore.

Sir,

I humbly beg to bring the following to your honour's kind consideration and early notice.

The scandalus state of things in the Industries department has already attracted the notice of both the Government and public and specially the Industrial workshops. The matters have gone worse of late since the advent of the present Director who is proved too incapable and weak to expect any improvement shown.

Has your honour is well known for statemanship deep inside with the public affairs I feel in duty bound to bring the following to your notice so that you may personally enquire and set the matters right. The main reason for the enormous losses in the workshops is due to the mismanagement and abusing the stores. The present store keeper who is a mudaliar is allowed his own ways in the matters of purchases in spite of orders to the contrary. The accounts portion of the stores is also left to the Store keeper alone. Thus giving him every opportunity to cook up the accounts as suited to him. Inferior qualities purchased for higher rate from favourable contractor, less quantities received while the stock is taken high and to a click issues on indents are shown more. As a scandalus instance for this I may point out that the stock of cast iron scraps and coal are now found to be 10 and 5 tons less respectively. As for the past one week the superintendent is very anxious that his pet store keeper should not be exposed and he is trying his best to hush up the matter by hook or crook. Lately about 5 to 10 tons of c.i. scraps were removed from the Water supply store yard to the workshop and this are all not accounted for. This required an immediate investigation, how and where they are accounted for. If your honour make a sudden inspection of the store accounts and make enquiries in the matter -- everything will come account really as a surprise. Another fault in the stores is that without sanction and without calling for quotation orders are placed to the pet contractors to a disadvantage of quality or rate. Formal sanction is applied for afterwards and the weak-minded director approves it. One glaring instance is the placing -- order with G.Munuswami singh for c.i. scrap, the director ordered that quotation should be called for. The superintendent called for accordingly. Muniswami singh quoted Rs.110/- per ton, seeing that he could not be given on account of high rate, it was reported to the Director that separate arrangements will be made for the purchase. Then the same was bought at Rs.94/- per ton from the very same munuswami singh. The director without taking pains as to how one and the same man who quoted high can supply at such a condiderably low rate the sort of stuff approved of it. This contractor who has no shop of his own and has no ready stock being only a commission agent has now become the supplier of all sundry articles to the workshops. If your honour peruses the accounts, it will be seen that in almost in all cases purchases are made without sanction at the first instance. Another point is more than the required quantity is indented for and unnecessarily stocked. On account of fluctuation in rates, especially at this time, losses occurs. This was the case in the mild steel bars purchased about 30 tons against a requirement of 15 tons. In regard to issues, your honour may also be perused that frequent corrections are made in the indents and supply memos. These are all subsequent corrections made long after to equotize the existing -- stock.

Stock of rosewood and sundry articles disappears, but they are put up under the issues of some work order. Such cases may be observed that indents for the materials clerk will show one entry at first, but actual supply raised by corrections afterwards. Taken -- advantage of the transfer of the C.I. stores supply memos were purposely delayed months together in order to cover up the shortage. To screen this a report was made against the poor clerks. The director without enquiring the case in full punished him leaving the real culprit free. Again some of the things transferred from the art workshops were not at all taken into workshop books then and there.

They are working a click from a long time. Some of them may be separated fresh elements may be introduced.

In spite of above abuses the store is recommended for promotion from Rs.60/ to Rs.80/ in the reorganization scheme for maximum pay, while he got a promotion very lately from Rs.50/ to Rs.60/- while there is a very heavy retrenchment among other staffs. His qualification and service may be enquired into. He has put in 3 to 4 years service as a store keeper.

In ~~the~~ conclusion I regret very much to have to trouble you with this long letter, which I am reluctantly compelled to bring to your notice, as a loyal subject and trust this will be a good warning to you and a timely one.

I beg to remain,
sir,
Your most obedient servant,
AN EMPLOYE OF THE CENTRAL INDUSTRIAL WORKSHOPS.

Bangalore,
2nd Septr. 1922.

21805

(17

D. O. No. 178/G.A.D.

Comptroller's Office,

Bangalore, dated 25th September 1922.

Dear Sir,

I return herewith the anonymous petition dated 2nd instant to the Dewan, handed over to me on 16th instant personally by the Financial Secretary containing some allegations in respect of the Store Accounts of the Central Industrial Workshop. The accounts of the workshop for the half year ending 30th June 1922 are now under audit by the Commercial Auditor of the Industrial Audit Section of this office and a detailed report on the Store Accounts in general will be submitted to Government in due course. The specific charges referred to in the petition have been verified and the points observed during the verification are noted below:-

(a) Shortage in the quantity of coke (not coal) of 5 tons. A detailed check of this account shows that the closing stock at end of December 1921 has been corrected more than once and correspondingly the balance at end of June 1922. The actual balance at end of December 1921 in the data Central Industrial Stores was 24 tons (round) according to the original statement. It was unauthorisedly corrected by the Store-keeper in March 1922 at the time the Stores were transferred to Central Industrial Workshop, from 24th to 22 tons in both the "Daily book balance" and "Accounted actuals balance". The difference of 5 tons was part of a supply of 10 tons in December 1921 receipted by him twice by a mistake. The opening balance for the next period was therefore wrong to that extent. On this having been pointed out by the Director, and an explanation being demanded as to how the counted actuals balance could also vary, the Superintendent replied that the stock on hand was not counted actually at the end of December 21

but

(19

D. O. No. Comptroller's Office

5 or 10 tons received lately from Water Supply Division.

The word 'lately' in this connection is very vague and perhaps refers to a date subsequent to June 1922. The only two items of receipt of scraps from Water Supply Division prior to June 1922 are of 15 tons and 40 tons. The former is regularly accounted for in the Store Ledger. The latter however does not find a place in the Stores Ledger, but it is shown as a receipt in the Sub Stores Ledger of C. J. W. Staff and included in the Closing Stock of both the concerns. There is no other receipt during the period.

(d) Purchase of Scrap Iron at Rs.94/- a ton from one G. Muniswami Singh while the quotation was Rs.110.- The following are the facts borne out by the file of correspondence on the subject:-

Tenders were called for in May 1922 and received up to 15th June 1922. Of the rates quoted, the lowest were one of Mastankhan Rs.101-8-0 and H. Munisami Singh Rs.105/- (not 110). It is seen that the rate of Rs.105 is apparently an after entry, by a different hand and in different ink. The Superintendent having considered both these rates as very high reported under date 23-6-22 to the Director that he was rejecting them and trying 'to find other other sources of supply at cheaper rates". From 28th June onwards, but before 13th July, about 10 tons of scrap were purchased from G. Muniswami Singh. There is no purchase order for this nor any letter from the supplier to show that he agreed to supply at Rs.94/-. The only authority for receiving the article in Stores was a slip dated 29th June 1922 by the Superintendent authorising the Store-keeper to do so. The supplies on 28th June, 29th June, 1st, 2nd and 13th July were billed for

at

IHE 115-22-3

To. Strictly Confidential (21

P. G. D'Souza Esq BA BL
Offg Dr. g. Dtc

Pro. C. - Enc. 2
Dtc. 21.10.22

Signed by Mr. B.V.R.

My dear Sir.

I am desired to forward herewith for your information and necessary action copies of an anonymous petition bringing to notice certain grave irregularities connected with the Stores Accounts in the Central Mechanical Workshops and of the Comptroller's D.O. Letter No 178/IAD of the 25th Sept: 1922 reporting on the allegations contained in the petition.

The Comptroller's letter discloses irregularities of a very serious nature and I am to request you to examine the whole case and ~~submit~~ obtain and submit the explanation of the Superintendent of the Workshops

22)

for this order of Court within

two weeks.

The Stores Clerk who appears to have been in the habit of systematically tampering with the accounts should be placed under Suspension at once and the facts submitted to Govt.

I am to observe that the Supdt. does not seem to have realised his responsibility and has by his omissions contributed towards this situation as much as the Stores Clerk. There would appear to be a great deal more Checking & writing than actual supervision and work done.

The matter may kindly be treated as immediate and the explanation of the Supdt. be submitted within the stipulated time.

Yours Sincerely

Dy. 30/11/22

MR 30.9.22

Confidential 23

Dublé 115-22-4

To

D. Lalgaiseg Chilly Esq
Campbellin

No. 7./DC. 21.10.22.

Signed by Mr. B. V. R.

Dear Sir,

With reference to your do. letter no 178/IAD of the 25th Sept re reporting an anonymous petition containing certain allegations regarding the Account of the Contractors Workshops I am directed to request you to have the regular half yearly audit of the Concern expedited and a full report submitted to first ... as very early date

Yours truly

[illegible]

Mch 30/9/22

302/n - 30/9/22

D.O. 6.10.

OFFICE OF THE
DIRECTOR OF INDUSTRIES AND COMMERCE,

Immediate and Strictly Confidential.

Bangalore the 2nd October 192 2.

(Camp) Mysore.

My dear Sir

With reference to your Confidential D.O.letter No: E. of the 30th September/1st October 1922, regarding certain - - irregularities in the Stores Accounts of the Central Industrial Workshop, I have the honour to state that I have called for the Superintendent's explanation and I shall submit a detailed report on the subject within a fortnight's time as directed.

The Comptroller's report refers to 5 charges. Of these - the only serious one is (a). In regard to (b) and (c) shortage of cast iron scrap ~~iron~~ to the extent of 5 to 10 tons, the report clearly shows that there is no deficiency to be accounted for though there is some confusion in the accounts. In regard to (d) the store-keeper cannot be held accountable for the purchase and the only ground on which he can be punished is that he got a specially high rate approved by improper means of which there is no evidence. The mere fact that the workshop purchased similar material for a lower price from another contractor or the Water Supply Division some time before does not justify any adverse inference being drawn in the absence of information as to the quality of the material and the circumstances under which the purchase ~~was~~ made. I shall examine the case very carefully and report the nature of the irregularity that may have taken place if any.

As regards corrections in supply memos and indents the Comptroller himself states that he will report whether there are any irregularities and so far it has not been elicited, that any of these corrections have been made with any improper object.

The really serious charge therefore at present is that referred to in (a) shortage in the quantity of coke of 5 tons.

Even here the Comptroller's report makes it clear that there is no actual deficiency and the difference of 5 tons is probably due to the fact that the same item was receipted twice by mistake which has been rectified. The book balance of the Central Industrial Stores showed only 24 tons and if misappropriation was the object of the Store-keeper that could have been better attained by leaving the figure as it is ~~there~~than by adding 5 tons and subsequently correcting it. In regard to the large excess of coal dust referred to it is difficult to state how this has been caused as the Central Industrial Workshop had to take over some of the old material from the Central Industrial Stores. The matter will be carefully investigated.

The Comptroller is carrying on a detailed audit and his report implies that until this is completed no final conclusions can be drawn. The trend of the Comptroller's report is to the effect that the alterations in the accounts do not seem to have been made in order to conceal the deficiencies but to rectify mistakes.

Neither the Superintendent nor the Store-keeper have been examined in connection with these irregularities nor have they been given any opportunity of throwing any light on these transactions.

In this connection I may be permitted to state that some of the confusion seems due to a sudden transference of the stock and accounts of the Central Industrial Stores to the Central Industrial Workshop. At the time of the abolition of the Central Industrial Stores at the end of last year the accounts were incomplete and a great deal of time had to be spent in putting them into order. Until the Central Industrial Stores was abolished a large staff was maintained in the Director's office to attend to these - - transactions. There was a separate Store-keeper for the Central Industrial Workshop and another for the Art Workshop. Most of these appointments have been reduced. I have now only one man to do the work of four. In these circumstances, as the Comptroller's report

X does

does not establish that any actual fraud has been committed, but only that the facts deserve further investigation. I beg that I may be permitted to hold the order directing the suspension of the Store-keeper Mr.Ekambaram Mudaliar in abeyance till I have investigated the matter and submitted my report to Government. I have relieved him however to-day of the duties of Store-keeper and placed Mr. D. Seshagiri Rao, Commercial Probationer in charge. He will therefore have no access to the books nor be able to interfere in any way with the investigation.

With regard to the observations contained in the penultimate paragraph in regard to the Superintendent, I beg to submit most respectfully that it does not seem fair to come to any judgment in regard to him before he had had an opportunity of explaining matters and that a remark which is not based on anything in record that "there would appear to be a great deal more of talking and writing than actual supervision and work done" is calculated to discourage an officer who has been evincing much interest and originality in his work.

Mr. Appadore Mudaliar has been for the past 8 months attending to duties that were formerly discharged by 3 different officers viz., 1)the Superintendent, Central Industrial Workshop, 2) the Superintendent, Art Workshop and 3) helping me in working out details regarding machinery for important schemes. Though these combined duties are very arduous he has applied himself to them with ungrudging zeal and the fact that at present the workshop is able to secure sufficient orders and its help is utilised in designing special machinery by concerns like the 'Kaiserie-Hind Woollen Mills, the Sri Krishnarajendra Mills and for a silk filature by enterprising private ---- capitalist is ample proof that the workshop has inspired sufficient confidence in the people.

The Art Workshop which was also in a languising condition is now working satisfactorily and as a result of the work done private capital has been enlisted to start one on a very elaborate scale. Mr.Appadore Mudaliar has been very successful in designing

(27

machinery for rice mills and other purposes. As I have already reported to Government many retrenchments have been effected while the efficiency of the workshop has at the same time been raised. As he is an officer with exceptionally good mechanical ability and enjoys the confidence of many capitalists it would be most unfortunate if anything occurs to damp his enthusiasm and make him give up his original work.

There was no such intention at all Rees.

Yours sincerely
Sd/- [illegible]

B. Venkoba Rao, Esq., B.A.,
Secretary to the Government of Mysore
General Department,
(Camp)Mysore.

Telegrams.—Industries, Bangalore.
Codes—A. B. C. 5th Edition, Bentley.

Telephone No. 29.

1807

Confidential.

Mr. P. G. D'Souza,
Director.

OFFICE OF THE DIRECTOR OF INDUSTRIES AND COMMERCE.

IMMEDIATE.

Our Reference.
Your Reference.

Bangalore, 5th October 1922.

(Camp) Mysore.

C. No 119.

My dear Mr. Venkoba Rao

In continuation of my D.O. letter No: C.10 of the 3rd instant, regarding certain irregularities in the accounts of the Stores of the Central Industrial Workshop, I enclose herewith for favour of perusal and return the explanation of the Superintendent of the Central Industrial Workshop dated the 4th October 1922 which clearly shows that there are no shortages and explains the - - circumstances under which the corrections were made. I have asked Mr. V. S. Subba Rao, Commercial Accountant to examine the accounts for the last 18 months carefully and verify all the entries. I shall go into the case fully and submit a detailed report. As prima facie there is no proof of any actual dishonesty on the part of the store-keeper I beg to reiterate my recommendation that he should not be placed under suspension.

As there was no time to make copies, I have sent the Superintendent's report in original and so I have requested its return.

Yours sincerely
P. G. D'Souza
In Confirmation
5/10/22

B. Venkoba Rao, Esq., B.A.,

(25

Central Industrial Workshop,

Bangalore, D/ 4th Octr: 22.

Dear Sir,

I am in receipt of your D.O.Letter No. C. 8 dated 2/10/1922. I beg to explain as under the several allegations referred to in the Comptroller's report on the annonymous pettition.

(a) Shortage in the quantity of coke of 5 tons:--

The difference of about 5 tons observed is due, as stated, to the quantity on hand, not having been actually weighed as at end of December 1921.

As the stock had been weighed in Novem--ber 1921 and the fact reported to the Director in this office No. S 160 D/22-3-22, (Copy enclosed), it was not considered necessary to weigh it again a month after, as it would dislocate work in the -- workshop by detailing the gang for this work and would also involve heavy cost in the shape of labou employed, and converting lumps into further dust. - Moreover, it was the time when the Art Workshop stc at the Metal Factory Premises had to be checked in great detail before its ordered transfer to Central Industral Workshop Premises was given effect to. It was not possible for one officer to attend to the stock-taking of both the concerns in two different places.

For reasons stated above viz. labour and other charges invelved in actual weighing of heavy stores such as coal, coke, scraps and other hard--ware, it has not been found practicable to actual weigh and certify for every period of half year, bu the book balances and the estimated or measured qu--antity are considered and adppted for account pur--poses. This has been the case even in the past

nor

nor is this peculiar to this concern alone. This is usually the practice in all workshops.

As regards the necessity for correcting bala-nces more than once, it has been fully explained in my letters to the Director (Vide Nos. H.S.97 dated 23-2-1922 and S.160 of 22-3-1922, copies enclosed) corrections being made after reporting each time. The reasons are briefly these.

A loan of about 5 tons of coke was taken by us from Mysore Railway Workshops viz. Tons 2-19-0-0 on 24-10-1921 and 2 tons 0 ~~xxxxxxx~~ cwts 3 quarters and 7 lbs on 5-12-1921). As we had to return this, the firm of Messrs. Ramdas Bhavanji were ordered to supply on our account 10 tons of coke, (Vide Order No. 30 pf 19-12-1921) delivering about 5 tons at t Railway Works in discharge of the loan above refer to, and the balance at our yard, sending us invoic for the full 10 tons. As no invoice was tendered the firm, on the strength of the certificate for 4 tons ~~xx~~ 19 cwts 3 qrs. 7 lbs priduced by them fo the Railway Works Officer and ~~of~~ for the balance of 5 tons 2 cwts 1 qra 7 lbs supplied at our yard; rec was taken in the stores receipt book (Invoice No for full quantity of 10 tons 2 cwts 14 lbs, and c Memo No. 1192 of 20-12-1921 issued to the firm. B as the quantity actually supplied here was only 5 2 cwts 1 qr 7 lbs, it was thought right to issue -dit memo only for that quantity and invoice for balance receipted on the certificate for the Rai Workshop. Hence the credit memo was corrected f 10 tons 2 cwts 14 lbs to 5 tons 2 cwts 1 qr. 7 l <u>without simultenbously correcting stock receipt</u> with the result that the stock receipt book sho two receipts from the firm of 10 tons 2 qrs 14 l and 4 tons 19 cwts 3 qrs 7 lbs. against the cor 10 tons 2cwts 14 lbs. This clerical error lead ou

our report to the Director of Industries and Commer-
-ce(No. H.S. 97 of 23-2-1922)requesting to increase the stock balance in C.I.Stores accounts by 4 tons 19 cwts 3 qrs 7 lbs. On this double entry being pointed out by the Director, the inflated figures were recorrected to the actual, as per ~~xxx~~ this --- office No. S.160 of 22-3-1922.

As regards how a major portion of the balanc of coke happened to be dust, I beg to explain as follows:-

The A quantity shown is the accumulated result of the past few years. The figures given by the - Comptroller were those that were arrived at in June 1922. But the dust and the powder were carried for-
-ward from the November weighment.

As per my report No. S.14 of 10-1-1922, -- there was an accumulated quantity of dust on 1-1-21 to the extent of Tons . 6-16-0-0, as certified to by Mr. P.Krishna Rao (Asst: Superintendent) deputed for stock taking.

Added to this, was a further quantity of -- dust from out of purchases and issues, as per state-
-ment enclosed with the above quoted letter(No. S.14 of 10-1-1922) (Copy enclosed).

The items in the Comptroller's report:-
are 1) Good coke 3½ tons @ Rs. 90/-
2) Dust 5 tons @ Rs. 35/-
3) Dust 12 tons @ Rs. 15/=.
4) Wastage 1 ton.

Item No. 2. 'Dust' ought to be small coke and usable with big pieces; hence its value is shown as Rs. 35/-.

Allowing for tons 6-16-0-0 already referred to

x The actual quantity of dust will be about 5 tons since 1-1-1921. In a transaction of at least 90 ton this wastage is not much. I call your attention to the remark made by Mr. S.V.Ramaswamy Iyer who was deputed to the Stock-taking recently, which shows

that

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that a 5% wastage is allowable.

(b) Cast Iron Scraps.(Shortage 10 tons.)

As the auditor's report shows that there is no shortage. The error is clerical.

The receipt of 15 tons of scrap in the Sub-stores books on 8-12-1921 without correspondin entry in the stores card and C.I.Stores ledger was due to the following circumstances:-

The Store-keeper is only custodian of scrap account, while the actual quantity of scrap will be lying at or near the foundry yard. Whatever quan-tity is required for a particular casting is weigh-ed by the Foundry People in the presence of a store hand, and then an indent for such a quantity is placed on the stores. But to avoid errors in retail accounting, the sub-stores received from the C.I. stores stock 15 tons on 8-12-1921. But failed to place an indent for that quantity on the stores simultaneously, (at any rate not till 11-1-1922). Thus though 15 tons were actually taken out of C.I. stores stock of scrap, no issue to that extent came to be shown in the stores card and stores ledger till after the close of December 1921.

For reasons explaining in respect of coke vide para (a) above, actual weighing was not found possible and book balances compared with the esti-mated quantity of the heap adopted. In this case the difference of 15 tons in the estimate or measure-ment could have been easily found out, had it not been for the fact that about 15 to 20 tons out of about 40 tons of scrap belonging to late -- P.W.D.Workshops lying at water supply division yard unaccounted for all the while, had by that time (31-12-1921) been brought to our place and put near the other scrap. Whenever our cooly gang had a res-pite, were deputed them to shift scrap from the -- Water Supply yard. It was being shifted in small

quantities

quantities at a time.

I may mention here that all the 40 tons of the old and unaccounted for scrap has since been taken to sub-stores books and accounted for. The entire quantity of scrap has since (in September) been actually weighed, and the book balance and -- actual stock found to agree. I enclose the weighmen certificate herewith.

(c) Omission from accounts of scrap iron to the extent of 5 or 10 tons received "lately" from Water Supply Division:-

The Comptroller rightly points out the word "LATELY" is vague. Neither do we understand what lately means. The whole quantity is accounted for as shown in the above para.

(d) Purchase of scrap iron @ 94/- Rs a ton from one G.Munisamy Singh while the quotation was for Rs 110/-.

We had obtained sanction to purchase a qu--antity of 50 tons of scrap iron. But seeing that the 2 tenders received were higher than the market rates, they were rejected and reported. But as we wanted scrap of good quality for urgent work I off--ered to buy about 10 tons on condition that the rate was to be fixed by me on my inspection on the whole lot at our place. This was offered first to Mastan Khan who declined to agree to the terms. And then it was offered to Mr. Munisam Singh who agreed to the terms and ~~we~~ he brought the stuff to our place I inspected the lot, and considering the quality of scrap, I fixed the price @ Rs 94/- which was agreed to and paid. As the article was not considered to have been bought until my inspection, the formalit of an order etc. were not followed but taken to -- stock by a slip authorizing the Store Keeper to do

so.

The very fact, even though the sanction was for 50 tons and we restricted our order to only about 10 tons, and then tendered for 100 tons scrap from M & S.M. Railway Store indicates that we simply sa--tisfied our urgent necessity for the time.

As regards the remark that Rs 94/- is high compared with Rs 75/- paid to Muhammad Khasim and Water Supply Division in April and June 1922, the rate depends upon the quality of the scrap. For instance we have bought scrap @ Rs 25/- a ton and also scrap @ Rs 110/- a ton previously.

As regards the allegation in the tender of Mr. Munisamy Singh as to the rate of Rs 105/- being an after entry we know as little about it as the Comptroller himself. If as stated the figure was an after entry, there is no sense in his putting Rs 105/- when the other competitor had quoted Rs 101/8/0. The tenders were received under sealed covers by the Superintendent opened by him and passed on to the Accounts section for report to the Director.

(e) Corrections in Supply Memoes and Indents.

This is a small matter and is easily explain--able. The corrections are made when absolutely ne--cessary with reference to the article indented for and the article actually available in stock. This is done in the interest of work to avoid delay in the execution of work and needless purchase. For instance:- an indent from Foreman is placed for two of 2"x 12" emery stone (Vide indent No. 111 of 2-10-22) But the emery stones of that size not being available then, one of 2" x 14" is issued; and the indent is accordingly corrected. It is only in such circumstances, that corrections are necessitated.

I may say in conclusion that the allegations made in the anonymous petition are groundless. It

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It has been clearly proved item by item that though small clerical errors have arisen which is after all human, no shortage of any kind has occured.

I only request that the order suspension of Store-keeper should be withdrawn as early as possi-ble.

Remark by Mr. S. V. Ramaswamy Iyer in the stock-book. D/... 31/7/22

I certify that the above list of stock of raw materials in the C.I.Stores, Hard-ware section was prepared under my instructions after every arti-cle was counted, weighed or measured and the quan-tity checked by me in person.

The wastage marked against certain items in the list are quite reasonable and it is nothing if only the magnitude of ~~xxxxxx~~ receipt and issues of the innumerable varity of articles in the stores are taken into consideration. It must be said to the credit of the Store-keeper Mr. V.R.Ekambaram -- Mudaliar that the articles were kept properly arra-nged and management of the stores section ~~xx~~ con-ducted is such that the book balance very nearly tallies with the actual stock at the time of taking stock.

One point which I noted in the course of taking stock was that no allowance for breeze was made for coke and coal. Usually in all American concerns where coke and coal are handled in large quantities for manufacturing purpose, they allow 5% for breeze or wastage. I suggest that the same allowance be adopted in the stores otherwise there is sure to appear shortage or difference between th book balance and actual stock.

Letter No. S.160 dated 22-3-22 from the Superintendent, C.I.Workshop, to the Director of Industries and Commerce in Mysore, Bangalore.

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With reference to your Memo No O.C.1902 of 14-3-22, I have the honour to inform you that Tons. 5-2-1-7 of coke was supplied to C.I. Stores as per invoice No. 73 of 20-12-21 and Tons. 4-19-3-7 to the Mysore State Railways by Messrs. Ramadas Bhavanji & Co. A credit Memo for the whole quantity of Tons. 10-2-0-14 was given; but subse--quently on receipt of an acknowledgement from the Railway Workshops for the supply of ~~lathes~~ Cutty the credit memo was altered to Tons. 5-2-1-17 and the acknowledgement treated as invoice No. 74. But the correspon--ding corrections in the Receipt Book was not made by oversight and hence the confusion. As necessary correction has since been made, the balance of coke as reported in my letter No. H.S.14 dated 10-1-22 may be confirmed. As the old stock was actually weighed in November last to find out the actual quantity of dust etc. and all the subsequent purchases were recent and actually weighed at the time of delivery, it was not found necessary to weigh them while taking stock.

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Letter No. H.S.97 of 23-2-1922 from the Superintendent, C.I.Workshop, to the Director of Industries and Commerce in Mysore, Bangalore.

@@@@@@@@@

With reference to your No. S/663 of 25-1-22, I have the honour to inform you that the balance of coke may be increased by Tons.4-19-3-7 being the quantity supplied to the Mysore State Railway Workshops by Messrs. Ramadas Bhavanji & Co. on 20-12-1921 as per invoice No. 74 of 20-12-1921, as the same was not then included.

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Letter No. H.S.14 dated 10-1-1922 from the Superintendent, C.I.Work--shop, to the Director of Industries and Commerce in Mysore, Bangalore

&&&&&&&&&&&

With reference to your letter No. S/663 of 17-11-1921, I have the honour to submit a statement of purchases and issues of coke from --- 1-6-1921 to 31-12-1921. The balance of Tons. 6-16-0-0 shown as on 1-1-1921 is all powder as certified by Mr. P.Krishna Rao who was deputed for stock-taking. The subsequent purchases made locally were good and the quantity of powder and small pieces of 2" and downwards

shown

shown are quite reasonable, and usual in the course of constant hand-ling and unloading etc. A small wastage of 1 ton for the whole tran-saction is very fair and usual. Under the above circumstances expla-ined nobody is responsible for such a large accumulation of powder. and small pieces. Early orders may kindly be passed on the subject.

&&&&&&&&&&&

Enclosure statement of the above letter(No. H.S.14 of 10-1-22)

Stock as on 1-1-1921.	6-16-0-0	Powder.	2" & less.	4" & Upwards	Total.
		6-16-0-0	Nil	Nil	
Bengal Coal Co. Tons.	10-0-0-0	3-0-0-0	1-0-0-0	6-0-0-0	
Mr. B.C.Aulappa "	18-6-0-01				
Messrs. Ramadas Bhavanji & Co. "	41-9-11-21				
The state By. "	8-9-3-21	72-4-0-03	4-0-0-0	73-11-0-0	
The standard foundry	1-7-3-0				
Ramdas Bavanji	10-2-0-14				
	79-15-0-0				
	96-11-0-0	12-0-0-0	5-0-0-0	79-11-0-0	96-11-0-0

Total Purchase during the year. 96-11-0-0

Total issues " " " " 71-9-0-7

Balance. 25-1-3-21

i.e. Wastage = 1-0-0-0, Powder = 12-0-0-0, 2" and less = 5-0-0-0, 4" and above = 7-1-3-21. ∴ Stock of coke as on 31-12-21 = 24-1-3-21.

" COPIES "

Sd/-B.G.Appadore Mudaliar.

Superintendent,
C.I.Workshop,
Bangalore.

Abstract.

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Machine Scrap.	Tire-bars.	Wrought-iron	Steel.	Total
Tons Cwts lbs.	Tons Cwts.	Tons Cwts	Tons Cwts	Cwts lbs
16 - 8 - 28	13 - 4 - 0	6 - 18 - 0	3 - 0 - 0	39 - 10 - 28
Including Crane parts.		may be sold.	may be sold	

Showing the issues from 1st of July, as per Charge Sheet & Indent.

	Tons Cwts lbs.	Tons Cwts lbs.
July	2 - 15 - 44	0 - 7 - 56
Aug.	2 - 19 - 56.	0 - 11 - 56.
Sept.	2 - 18 - 0.	0 - 4 - 0.
Total.	8 - 12 - 100	1 - 3 - 0

Tons 39 - 10 - 28 cwts lbs is the weight actually weighed in September.

TELEGRAPHIC ADDRESS "INDUSTRIES"

Dte 115-22-7 (3)

In reply please refer to
No. C.C. 1/22-23

Confidential

ENCL. No. Four & one Report.

OFFICE OF THE
DIRECTOR OF INDUSTRIES AND COMMERCE, IN MYSORE.

Bangalore 14th October 1922.

FROM

P. G. D'SOUZA, ESQ., B.A., B.L.,
Director of Industries and Commerce in Mysore
Bangalore (India)

To

The Secretary to the Government of Mysore,
General Department,
B a n g a l o r e.

SIR,

In continuation of my letter No. C. 19/Encl. One of the 5th October 1922, forwarding the explanation of the Superintendent, Central Industrial Workshop, in regard to certain irregularities in the accounts, I have the honor to state that I have examined the matter fully and there is no doubt whatever that the Store-keeper has acted in good faith throughout the matter and has made the corrections with the authority of the Superintendent and there is no reason to suspect that in any of these transactions he has acted in an improper manner.

In regard to the specific charges referred to in the petition I have the honor to observe as follows -

A) COKE - The actual balance on hand on 31st Decr. 1921 was intimated by the Superintendent as under -

				Ton	Cwt	Qr	lbs
H.S. (Hardware Section)	No.14	D/ 11	1	22: 24	1	3	21
" "	57	2	2	22: 25	1	3	21
" "	97	23	2	22: 29	1	3	0

This difference having been noticed in the Office the Superintendent's attention was invited to it and also the error to which it was due viz., that a certain consignment was receipted twice. As it was found that a mistake had been committed and a wrong entry made, the original figure was restored under Book Balance by the Commercial Accountant in the Office Mr. V. S. Subba Rao. After careful enquiry at the time it was definitely ascertained that

The correction is also initialled by the Superintendent in the books of the factory

that the quantity indicated as the actual balance in the very first communication was correct. This matter was also brought to the notice of the Audit Officer at the time of the report and the irregularity has been referred to by him under "minor irregularities" in the audit report for the half year ended 31st Decr. 1921 - vide Remarks under (ii) "Understock."

As regards the large quantity of powder shewn as on hand in the balance and referred to now by the Comptroller, this matter was also examined by the office and the Superintendent's explanation obtained (copy of which is enclosed). Thereupon it was directed that the actual balance of coke as on 1st Jany. 1922 would be transferred to the Central Industrial Workshop at book value so that no loss may be caused by the conversion of any of the coal into dust and the C. I. Workshop made to pay full price for the coal.

B). CAST IRON SCRAPS - The issue of 15 tons of scrap on 8th December 1921 from the Central Industrial Stores Stock to the Central Industrial Workshop sub-stores was not communicated to the C. I. Stores. This is due to the fact that the scrap cannot be kept under lock and key and the sub-stores that had removed 15 tons on 8th Decr. 1921 for issue to works as required did not send an indent to the C. I. Stores till 11th Jany. 1922. The removal of the scrap without an indent is irregular. I have issued strict instructions that no article should be removed without an indent. From the accounts I find that the scrap has been properly accounted for and utilised.

C) PURCHASE OF SCRAP IRON AT Rs. 94/- A TON FROM C. MUNISWAMI SINGH - As soon as the matter was reported to this office the fact that Muniswami Singh had not originally quoted the lowest rate and that the other tenderers should have been given an opportunity of offering lower rates was noticed and the Superintendent sent for and the rate approved by me on his assurance that it was the lowest and that others were not prepared to offer

offer lower rates. I have on several occasions brought to the notice of Government that it is not always possible to follow the tender system in making purchases as the tenderers do not always offer the lowest rates and that where it is possible to obtain any material cheaper than the tendered rate, orders are placed with such persons. The Superintendent's explanation furnishes a satisfactory reason for the difference in prices.

D). CORRECTION IN SUPPLY MEMOS AND INDENTS - As explained by the Superintendent the corrections on indents are due to the difference between the article indented for and that available in the Stores such as dimensions, quantities etc, and before issue the description in the indent is made to tally with the article actually supplied. So far as the supply memos are concerned there is no reason for any such correction and the number of supply memos so corrected is very small the reason apparently being that the indents were not corrected in time. There are some corrections in regard to rates entered in the supply memos which have nothing to do with the quantity issued.

All the purchases of Stores of over Rs 25/- made by the Superintendent for a period of eight months upto the end of February 1922 were examined in detail in the office and the Superintendent's explanation called for. A copy of letter issued to him and his explanation is attached herewith.

The accounts are audited every six months by the Auditor. The last audit has been made in great detail and the Comptroller's audit report will certainly show that there are no seious objections.

I have also seen the Store-keeper's accounts. In spite of great pressure of work and the difficulties under which he has to work his accounts are very well maintained. In these circumstances, I do not consider there is sufficient reason to deprive the man any longer of the charge of the Stores and as the work is likely to suffer if he is not immediately placed in -

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in charge, Government may kindly pass orders permitting me to re-instate him in charge of the Stores at once.

I have the honor to be,

Sir,

Your most obedient servant

DIRECTOR.

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Letter No: O.C.2558 dated 3-5-1922, from the Director of Industries and Commerce in Mysore, Bangalore, to the Superintendent, Central Industrial Workshop, Bangalore.

====

In enclosing herewith a statement of direct purchases of stores of over Rs250/= made by him during the 8 months ended February 1922, has the honour to request him to furnish information on the following - - points:-

1)Why Director's sanction was not obtained in the case of items 1 to 8.?

2)Why no regular estimate has been prepared for the manufacture of horse shoe and whether estimates are not invariably prepared for all works exceeding in cost a certain minimum limit say Rs 50/=

3)The circumstances under which a higher rate(Rs 18-8-0) was allowed to Messrs:Hajee Abdul Rahiman Sahib and Sons in the case of No:12 while the prevailing rate was only Rs 18/=.

4)How in the case of item Nos: 9 and 10 a supply of 56 cwts. was passed against an order for 40 cwts and why it was not noticed before paying the bill.

5)The particular order or orders against which the supply as per item No:15 was received may be quoted.

II. The Accountant should be made responsible with the help of the Assistant recently sanctioned,for the thorough scrutiny of all bills for purchases with reference to rules in force,

Sufficiency of sanction, orders placed and invoices for goods received etc., and bills passed for payment only on his certificate that they have been "Checked with invoices and orders and that the claim is correct".

====

2.

Letter No:H.S.14/one dated 12-1-1922, from the Superintendent, Central Industrial Stores, Bangalore, to the Director of Industries and Commerce in Mysore, Bangalore.

& & &

With reference to your letter No: S/663 of 17-11-1921, I have the honour to submit a statement of purchases and issues of coke from 1st January 1921.

The balance of 6-16-0-0 shown as on 1-1-21 is all powder as certified by Mr.Krishna Rao who was deputed for stock-taking.

The subsequent purchases made locally were good and the quantity of poweder and small pieces of 2" and downwards shown are quite - - reasonable and usual in the course of constant handling and unloading etc.

A small wastage of one ton for the whole transaction is very fai and usual.

Under the above circumstances explained nobody is responsible for such a large accumulation of powder and small pieces.

Early orders may kindly be passed on the subject.

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"Copies"

DIRECTOR.

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Letter No:85 S. dated 9th October 1922, from the Superintendent, Central Industrial Workshop, Bangalore, to the Director of Industries and Commerce in Mysore.

=====

With reference to your memo No: O.C.2558 dated the 16th August 1922 regarding purchases of stores made to end of February 1922, I have the honour to append a statement explaining the discrepancies pointed out in the above memo.

=====

"Copy."

for F Colvin

Director.

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(1) 1. 752-4-0 Sanction obtained in No.S/902 of 21-12-1921.

2. 1564-9-9 All the purchases have been made on work orders and none of the purchases taken individually exceeds Rs.250/-.

3. 637-6-7 Director's sanction for the purchase of Sweedish Iron coating abour Rs.219/- has been obtained and the rest have been purchased on several work orders and none, out of which exceededs Rs.250/- individually taken.

4. 689-3-7 Almost all purchases have been made on work orders and none of the orders exceeded Rs.250/- individually taken.

5. 345-14-6 ----------do----------

6. 990-2-2 ----------do----------

7. 927-11-5 ----------do----------

8. 531-2-9 ----------do----------

(2) Regular estimate has been prepared for the manufacture of Horse shoes.

(3) An extra rate of Rs.0-8-0 had to be paid in this case as the quan ty was good.

(4) As the size of the flat bars was particularly suitable for a part cular kind of horse shoe the party was orally ordered to supply o more ton and against which only 16 cwts was received.

(5) Order No.233 of 29-6-1921 and 237 of 30-6-1921 for 100 length and for 10 cwts.

Sd/- B.G.A. Mudaliar,

Superintendent.

'C O P Y.'

Report on the minor irregularities noticed in the ~~cause~~ course of the audit of the accounts of Central Industrial Stores for the half year ended 31st December 1921.

====

Stock -

(i) Error in stock-taking - Stock of castor oil in the Hardware Section is shown as 36 gallons, whereas the quantity in the ledger is 48 gallons 4½ bottles. On enquiry, it is found that the actual stock must have been 46 ~~lbs~~ gallons, as there is issue to this extent subsequent to 31st December 21. This quantity may therefore be brought on account and it may be kindly explained how it was omitted at the stock taking.

(ii) Actual stock has not been taken, of coke and coal. The card balances have been furnished in the stock sheet. The card balances were subsequently found to be incorrect and altered as in the margin. The quantities certified to, in the stock sheet have also to be altered and arrangements made for actual stock-taking, either by measurement of cubical contents or otherwise in future.

Hardware Section

	As altered	As certified
Coke Tons	25-1-3-21	29 - 1-3-0
Coal	19-14-1-7	20-14-0-0

(iii) The stock of timber, in the Hardware Section has been taken in planks, whereas the account in the ledger is in cubical contents and a comparison of the actual balance with the book balance was not therefore possible. In future, a uniform unit of measurement may be kindly adopted.

(iv) In the case of the marginally noted articles, in which the transactions are ~~being~~ heavy in the hardware section,

Round mild steel bars of sizes
Flat mild steel bars of sizes
Angle Iron of sizes
Mild steel sheet of sizes
Square mild steel rod of sizes

separate accounts should be kept of the different sizes of the articles particularly for those the rates for which vary largely, to enable proper valuation at the end of each half year and a comparison of book balances with actual stock.

Hardware Section

(v) The stock lists, contain articles that do not belong to the stores, as in the marginally noted instances

Hardware Section		
Motor Generator for ~~use including~~ plant	...	1
Empty drums	...	15
Weaving Section		
English plain shuttles received from Mr.Mohobholy		3

are missing

The Section concerned may be asked to take them into account and adjust their value.

Textile Section

Hardware Section

(vi) It is found from card No.194 that 16 Jarrah Poles have been issued to C.I.Workshop. They should be omitted from the stock sheet and their cost realised from the C.I.Workshop.

Textile Section

(vii) In the Weaving Section, stock sheet, it is shown that certain articles as in the margin are damaged.

40" slays	22	under repair	They should be valued at what they are worth in ~~this~~ their present condition and the balance written off, or recovered from parties responsible.
44" "	4		
48" "	15		
60" "	5		
Healds 44"	66	Damaged	
Laddies	3	Eaten by rats	
Shuttles	6	Old	
Teakwood heald rulers	3	Broken	
Enamelled Bobbins	35	Broken & eaten by whiteants	

Oils & Chemicals Section

(viii) The essential oils shown in the stock sheet of the soap section should be valued in detail and the aggregate

aggregate amount, instead of the book balance should be brought on to the Balance Sheet.

(ix) A statement is enclosed showing shortages in the quantities of some of the articles and their causes may kindly be explained. The Director may kindly arrange for a certificate in the stock sheet that the differences in the case of other articles are not appreciable and may be passed in audit.

(x) Vouchers for Rs 180/- (Nos.470 and 471 of June 20) being cost of two tanks purchased from Vasudeva Set have not yet been produced for audit.

R. Sriramgarajan
Asst. Comptroller.

CV/5-5

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Appendix A

Shortages.

L.F.	Name of article	As per Ledger	As per Stock Sheet	Difference	Value
225	Zodo life Paint	~~3½-gal~~ 4 drums	3 drums	1 drum	5- 0- 0
251	Mobil Oil	31 gal	30 gal	1 gal	4- 0- 0
175	Petrol	30 gal	20 gal	10 gal	20- 0- 0
318	Zinc white paint	150 lbs	135 lbs	15 lbs	7- 5- 0
362	Leather Hydraulic	70 lbs	60 lbs	10 lbs	30- 0- 0
~~Rivets~~					
35	Rivets of Sizes	749-11 lbs	701-10 lbs	48-1 lbs	24- 0- 0

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D.O. Fe 2836/Gre 115-22-8/81-11-22

Dear Sir,

With reference to correspondence ending with your letter No.CC.1 dated 16th October 1922 reporting on certain irregularities in the accounts maintained ~~in~~ the C.I.Workshop, I am desired to state that, having regard to your opinion that the corrections made in the books of the concern ~~were~~ were bona-fide, the orders suspending the Store-keeper, Mr. Ekambra Mudaliar, may be revoked. But in view of the ~~faulty~~ manner in which accounts have been maintained by him, Govt. consider that he should not be continued as Store Keeper. ~~in this capacity~~ He should be transferred to ~~Godown~~ some other place, and his work watched.

2. ~~On account of the laxity of supervision on the part of~~ the Superintendent, Mr. B.G. Appadorai Mudaliar, ~~he~~ may be warned to be more careful and exercise greater scrutiny in future.

3. I am also to invite your attention to G.O.No. M.5301-60/P.&S. 34-21-1, dated 1.6.22 ~~regarding~~ requiring that both sides of the paper should be used in communications. This has not been done in the case of your letter under advertence.

Yours sincerely,

Secretary to Government.

P. G. D'Souza, Esq. B.A.,B.L.,